



## **BY-LAW & PLANNING COMMITTEE AGENDA**

Monday, February 6, 2017, 4:15 pm  
Committee Room

Pages

1. **ROLL CALL**
2. **DECLARATION OF CONFLICT OF INTEREST**
3. **MINUTES OF PREVIOUS MEETINGS** 3  
December 5, 2016 - Regular.
4. **PUBLIC PRESENTATIONS**
5. **INTRODUCTION AND CONSIDERATION OF CORPORATE REPORTS**
  - 5.1 **January 30, 2017. Report from the Chief Building Official** 7  
re: proposed zoning by-law amendment with respect to shipping containers
  - 5.2 **February 1, 2017. Report from the Economic Development Coordinator**  
re: Proposal to purchase vacant land on Fox Drive  
  
As this matter deals with the disposition of land owned by the Municipality, it may be discussed in closed session under Section 239.(2)(c) of the Municipal Act.
6. **PRESENTATION OF COMMITTEE REPORTS**
7. **UNFINISHED BUSINESS**
  - 7.1 **December 21, 2016. Report from the Director of Clerks and Planning Services** 10  
re: Commercial Lease Policy  
  
Res. 27/17 - Council meeting held January 23, 2017:  
  
That the letter from Community Living Algoma concerning their lease at the Lester B. Pearson Civic Centre be referred to the By-laws and Planning Committee for further review and a subsequent recommendation.
8. **PETITIONS**

9. CORRESPONDENCE
10. PUBLIC QUESTION PERIOD
11. ADDENDUM
12. CLOSED SESSION (if applicable)
13. SCHEDULING OF NEXT MEETING
14. ADJOURNMENT



**BY-LAW & PLANNING COMMITTEE  
MEETING MINUTES**

Monday, December 5, 2016, 4:15 pm  
Committee Room

Present: T. VanRoon, Chair  
C. Martin, Member  
N. Mann, Member  
D. Marchisella, Member ex officio

Present: J. Renaud, CAO  
B. Ewald, CBO/Secretary  
L. Sprague, City Clerk, Resource  
C. Nykyforak, Councillor  
S. Reinhardt, Councillor

- 1. ROLL CALL**
- 2. DECLARATION OF CONFLICT OF INTEREST**
- 3. MINUTES OF PREVIOUS MEETINGS**

**3.1 November 7, 2016 - regular.**

**Res. 78/16**

Moved By: N. Mann

Seconded By: D. Marchisella

That the following minutes be adopted:

November 7, 2016.

Carried

- 4. PUBLIC PRESENTATIONS**

## **5. INTRODUCTION AND CONSIDERATION OF CORPORATE REPORTS**

### **5.1 November 18, 2016. Report from the Chief Building Official**

re: proposed by-laws for the regulation of owners and drivers of taxis, motor vehicles or other vehicles for hire

#### **Res. 79/16**

Moved By: N. Mann

Seconded By: D. Marchisella

That Staff Report CBO 2016-06 of the Chief Building Official dated November 18, 2016 concerning a new Taxi Bylaw be forwarded to council.

Carried

### **5.2 November 21, 2016. Report from the Chief Building Official**

re: request from Elliot Equipment and Rentals to locate a free standing sign on Kilborn Way

#### **Res. 80/16**

Moved By: C. Martin

Seconded By: D. Marchisella

That Staff Report CBO 2016-05 of the Chief Building Official dated November 21, 2016 concerning a request for a free standing sign on Kilborn Way be received; and

That the request from Elliot Equipment and Rentals to erect a free standing sign located in the Kilborn Way road allowance, except that the sign shall be permitted to be less than the required 45 m from other signs, and subject to entering into a lease agreement with the City, be approved.

Carried

### **5.3 November 22, 2016. Report from the Director of Clerks and Planning Services**

re: request to extend the lease agreement for the Rogers communications tower at the City's standpipes

**Res. 81/16**

Moved By: N. Mann  
Seconded By: C. Martin

That Staff Report CK2016-36 of the Director of Clerks and Planning Services, dated November 22, 2016 concerning a request from Rogers Communications Inc. to extend the lease agreement authorized by By-law No. 95-128 for location of communications towers and equipment at the Roman Avenue Water Tower standpipes site be received;

And that the addition of one 5 year extension term commencing on April 1, 2031 at fair market rent be approved.

Carried

**6. PRESENTATION OF COMMITTEE REPORTS****7. UNFINISHED BUSINESS****8. PETITIONS****9. CORRESPONDENCE****10. PUBLIC QUESTION PERIOD**

Q.) D. Nichols – Is the City Considering Business licencing?

A.) J. Renaud – No, it is not currently under consideration.

**11. ADDENDUM****12. CLOSED SESSION (if applicable)****13. SCHEDULING OF NEXT MEETING**

January 3, 2017.

**14. ADJOURNMENT****Res. 82/16**

Moved By: C. Martin  
Seconded By: N. Mann

That this meeting adjourn at the hour of 4:55PM



***The Corporation of the City of Elliot Lake***  
**STAFF REPORT CBO2017-01**

Report of the Chief Building Official  
for the Consideration of the Mayor and Members of Council

**RE: PROPOSED ZONING BY-LAW AMENDMENT- SHIPPING CONTAINERS**

**OBJECTIVE / LINK TO GOALS**

To provide Council with information concerning an amendment to the City's Zoning Bylaw to permit shipping containers within Industrial Zoned areas.

**RECOMMENDATION**

That Report CBO2017-01 of the Chief Building Official dated January 30, 2017, concerning a request to amend Zoning Bylaw 87-40 to permit shipping containers in the City's Industrial Zones be received, and

That By-law 87-40 be amended to include section 5.7.3.2 which would read:

Notwithstanding the provisions of this by-law, the use of shipping containers as an accessory structure may be permitted on lands zoned Industrial "M" Zone, and

That a public meeting be held March 13, 2017 at the hour of 6:30PM.

Respectfully Submitted,

  
Bruce Ewald, CBCO, WETT  
Chief Building Official

Approved

  
Jeff Renaud  
Chief Administrative Officer

January 30, 2017

**RE: PROPOSED ZONING BY-LAW AMENDMENT- SHIPPING CONTAINERS****BACKGROUND**

The current Zoning Bylaw section 5.7.3 prohibits the use of shipping containers in the municipality except for temporary storage for up to 12 months subject to the execution of an undertaking.

**ANALYSIS**

From a safety standpoint, it is important to ensure that these commercial uses are properly served with fire fighter access routes, water supply for firefighting, exiting and a solid and level foundation pursuant to the requirements of the Building Code.

Dealers in Ontario offer the containers in various standard sizes ranging from 10 feet long by 8 feet wide up to 45 feet long by 8 feet wide. These shipping containers can be customized and modified to be installed with man-doors, windows, heating and refrigeration units or partitioned into multiple compartments with separate overhead doors.

A ruling by the Building Code Commission (BCC) deemed the containers to be a building, as defined in the Ontario Building Code Act, s.o. 1992, c.23. The BCC is a law review body that considers disputes with the technical requirements of the Ontario Building Code, (O.Reg.403/97).

A building governed by the Ontario Building Code Act which is erected, extended, altered or installed is subject to the requirement for obtaining a building permit. In order to regulate the erection of these units within the City, the Building and Licensing Division is proposing that all shipping containers require a building permit prior to placement on the property in accordance with our Building Bylaw. The building permit process will ensure that the proposed containers will comply with the applicable zoning, site plan and building code requirements, and will allow for the collection of fees and charges such as permit fees, and be subject to property taxes as required for conventionally constructed buildings.

Our Property Standard Bylaw 03-29 section 4.(1) would address the exterior appearance of these units.

**FINANCIAL / BUDGET IMPACT**

Collection of previously unaccounted municipal tax revenue and levies on existing units not currently assessed and continued taxation of all new units installed within our Industrial Zones.



**LINKS TO THE STRATEGIC PLAN**

**CONCLUSION**

Shipping containers may be used in industrial zones for permitted uses as accessory structures on lands zoned Industrial "M" Zone



The Corporation of the City of Elliot Lake

**Staff Report CK2017-1**

Report of the Director of Clerks and Planning Services

**RE: COMMERCIAL LEASE POLICY**

**OBJECTIVE**

To provide Council with further information concerning the Lester B. Pearson Civic Centre Commercial Lease Policy.

**RECOMMENDATION**

That Report CK2017-1, of the Director of Clerks and Planning Services dated December 21, 2016 concerning the policy to address the leasing of office space at the Civic Centre be received.

Prepared by,

A handwritten signature in blue ink, appearing to read "Lesley Sprague".

Lesley Sprague  
City Clerk  
December 21, 2016

Approved by,

A handwritten signature in black ink, appearing to read "Jeff Renaud".

Jeff Renaud  
Chief Administrative Officer

Approved by,

Michael Humble  
Director of Corporate Services

## BACKGROUND

The attached Lester B. Pearson Civic Centre Commercial Lease Policy was adopted by Council on July 11, 2016. Notice was provided to tenants that did not meet the criteria. The policy allows up to December 31, 2017 for non-qualifying tenants to relocate.

We have received numerous emails, calls and letters from tenants and citizens, indicating their concerns about the loss of their tenancy at the Civic Centre. (letters attached)

## ANALYSIS

The purpose of the policy is to permit only non-profit organizations to lease space at the Lester B. Pearson Civic Centre and to phase out leasing space to other tenants.

The following five tenants do not meet the Policy guidelines: Serco Des Inc. (Drivers Licence); Community Living Algoma; MP; MPP; and the North Channel Literacy Council.

It appears that the Policy has created some unintended consequences with respect to certain community service organizations. We have been corresponding with Community Living Algoma, who requested that Council reconsider the eviction on October 6, 2016, and this matter has remained on the Council's agenda under unfinished business. The Council requested submission of additional financial information to assist them with their decision on whether to provide an exemption to the policy requirements; however, unfortunately, the Policy only provides for exemptions from Section 2.(3)ii) or iii). Community Living Algoma receives funding from the provincial government and therefore requires an exemption from Section 2.(2).

Before the Council can consider an exemption based on financial information for Community Living Algoma or any other community service organization receiving financial assistance from the government, an amendment to the Policy would be required:

- add provision for an exemption from item 2.(2) in the exemption clause- Section 2.(3)iv); OR
- remove item 2.(2) from the policy.

Another alternative which has been suggested would be adopting the Policy to take effect as of a certain date, with existing tenants being "grandfathered". This would prevent any other "commercial" tenants being approved in future.

With the exception of Serco Des Inc., the "commercial tenants" at the Civic Centre generally meet the definition of a "Non-profit" because they are providing products or services without making profit and are generally dedicated to activities that improve or benefit the community. The Serco is a for profit business, providing a necessary service, but there is no other viable location for them because they only operate one day a week.

## FINANCIAL IMPACT

The monthly revenue from the clubs and the Ariel gallery total \$1,257.69 per month. The revenue from the tenants that do not comply with the current Policy totals \$7,534.37 per month.

## LINKS TO STRATEGIC PLAN

**SUMMARY**

It is recommended that the tenants occupying space at the Lester B. Pearson Civic Centre as of July 11, 2016, be effectively "grandfathered" by granting them exemption from the provisions of the policy.



## **LESTER B. PEARSON CIVIC CENTRE COMMERCIAL LEASE POLICY**

### **1. PURPOSE:**

The purpose of this policy is to establish guidelines for the leasing of office space in the Lester B. Pearson Civic Centre.

### **2. POLICY STATEMENTS:**

- (1) The tenant must demonstrate Not-for-Profit status by providing goods or services without making a profit;
- (2) The tenant must not be receiving funding from another source, such as the provincial or federal government.
- (3) The tenant must meet one or more of the following criteria:
  - i) dedicated to activities that improve or benefit the community;
  - ii) any revenue must go back into the organization to further its aims and projects, and is not for the personal gain of its directors, members or officers;
  - iii) a Non-profit corporation formed pursuant to federal or provincial law. A non-profit corporation can be a church or church association, school, charity, medical provider, activity clubs, volunteer services organization, professional association, research institute, museum, or in some cases a sports association. Non-profit corporations must apply for charitable status to benefit from tax-exempt status and to issue tax deductible receipts to donors.
  - iv) Exemptions for existing tenants:  
Upon submission of a letter from a tenant that provides a necessary community service and evidence that there is no other suitable, leasable space elsewhere in the community, the Council may consider an exemption from the requirements of Section (3)ii) or iii).

Resolution 241/16 dated July 11, 2016: Non-qualifying tenants be provided up to December 31, 2017 to relocate.

### **3. CONDITIONS OF LEASES:**

- (1) The tenant shall enter into a lease agreement with the City.
- (2) The lease shall be for a fixed term not to exceed three years as approved by City Council.
- (3) The lease shall not be assigned without the consent in writing of the City.
- (4) The tenant shall provide a certificate of liability insurance, naming the municipality as an additional insured.

- (5) All improvements shall be subject to approval by the City.
- (6) Either party may terminate the lease in advance of the expiry date by giving two months' notice in writing.

|                               |                                      |
|-------------------------------|--------------------------------------|
| <b>Short Title</b>            | Civic Centre Commercial Lease Policy |
| <b>SMT Approval Date</b>      |                                      |
| <b>Council Approval Date</b>  | July 11 2016                         |
| <b>Originating Department</b> | Clerks and Planning Services         |
| <b>Revisions</b>              |                                      |
| <b>NOTE:</b>                  |                                      |

**THE CORPORATION OF  
THE CITY OF ELLIOT LAKE**

**MOTION TO RECONSIDER**

**July 25, 2016**

Moved By: C. Nykyforak

Seconded By:

**Whereas Resolution #241/16 passed at the July 11, 2016 Council meeting adopting the Lester B. Pearson Civic Centre Commercial Lease Policy does not adequately or fully address the matter of leasing municipal property;**

**And Whereas Resolution #241/16 references the rental of space to Not for Profit organizations and is not a commercial lease policy;**

**And Whereas the current commercial tenants will be served notice to vacate the premises no later than December, 2017, if a policy change is not implemented;**

**Now Therefore be it Resolved That:**

**Resolution #241/16 be rescinded, and that an AdHoc Committee be formed to draft a Municipal Lease Policy that shall:**

- be applicable to all municipally-owned property available for leasing purposes;**
- establish lease rates for commercial tenants and consider different lease rates for community groups;**
- ensure revenues to the Municipality that are fair, reasonable, and are in the best interest of the Municipality;**
- clearly differentiates between commercial tenants and community group tenants;**
- provides Municipal Staff with enough flexibility to allow them to accommodate community needs as they arise; and**
- abides by the requirements of the Municipal Act**

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Fax.: 613-995-6661

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Kapuskasing (Ontario) P5N 1W3  
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HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

*Carol Hughes*  
Member of Parliament / Députée  
Algoma — Manitoulin — Kapuskasing

July 21, 2016

Mayor Marchisella & Council  
City of Elliot Lake  
45 Hillside Dr. N  
Elliot Lake, ON  
P5A 1X5

Dear Mayor Marchisella & Council Members,

**RE: Development of Policy as it relates to leasing office space at Lester B. Pearson Civic Centre**

I write at this time to respectfully request that you strongly reconsider my office's status under your recently developed commercial leasing of office space policy or that you include a grandfathering clause in your policy given that no such policy was in effect when we initially moved into the facility.

As you are aware, my staff and I liaise with various federal government departments on behalf of the municipalities, residents and businesses in the constituency of Algoma-Manitoulin-Kapuskasing. We provide an integral service to this community and to many others in this riding. We act as ombudsperson to constituents, we help them get visas or passports, solve problems concerning immigration, employment insurance, pensions or income tax, to name a few. While my budget is paid by the federal government, it is solely an operating budget and there is absolutely no fees charged for services rendered.

Over the years we have seen reduced direct access to federal government services dwindle in communities like Elliot Lake and throughout Northern Ontario. We have also seen more and more services move to an online model which, for a large part, does not help our aging population here in Elliot Lake, and many other communities across the constituency that have limited internet access. For these reasons, and many others, my office has become even more essential for our community. My office provides residents with an in-person connection to help resolve difficulties they are experiencing.

As you will recall, my office was one of the many offices and businesses that lost their rental space in the mall collapse. At that time, alternate office space was limited due to many other businesses/agencies that were also forced to find alternate locations. Instead of rushing to find office space after losing my office (which we had recently moved into), I opted to temporarily sub-lease space from an existing business as a courtesy to the many businesses/agencies so they could settle into the limited prime office spaces that were available. I recognized the importance that they get set up as quickly as possible so that the residents could still have access to goods and services and that the employees affected could



carol.hughes@parl.gc.ca  
<http://carolhughes.ndp.ca>



get back to work as quickly as possible. Once the majority of businesses had settled in or had decided where they would be settling in, my office began an exhaustive search for rental space that would fit the needs of our office which would also provide central access to the constituents we serve. I was able to secure office space in the Lester B. Pearson Civic Centre and this space has proven to be very convenient for people to access services.

I understand that vacant rental space may have become available in the 4 years since the mall collapse and that other space is becoming available as some businesses/services may be transitioning to the new mall, however it appears that this policy is being implemented to allow the municipality the power to evict tenants in order to fill rental space that have freed up as other businesses vacate those premises.

As you are aware relocation is a disruptive and expensive venture. This forced relocation will certainly place undue financial hardship on my operating budget and the disruption it will cause is not in the best interest of the clientele we serve.

I implore you to reconsider your policy or ask that it be amended to grandfather in the current tenants who occupy the space at the Lester B. Pearson Centre, should they wish to remain in their current location.

**I understand that a motion for reconsideration will be discussed at the July 25<sup>th</sup> Council meeting and I would greatly appreciate being afforded an opportunity to appear before Council to make a presentation on this matter.**

Once again I thank you for your reconsideration of this policy and I look forward to the opportunity to receiving notice that I will be allowed to address Council on July 25<sup>th</sup>.

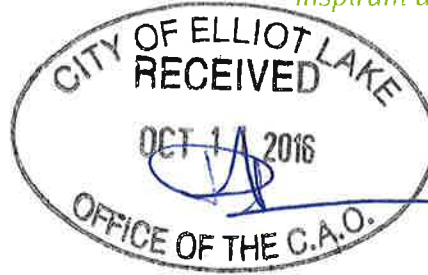
Sincerely,



Carol Hughes, MP  
Algoma-Manitoulin-Kapuskasing

cc. Lesley Sprague, City Clerk

October 6, 2016



City of Elliot Lake  
45 Hillside Dr. North  
Elliot Lake, ON  
P5A 1X5

Attention: Chief Administrative Officer, Jeff Renaud

**Re: Community Living Algoma's Lease at the Civic/Pearson Centre**

Dear Mr. Renaud:

On behalf of Community Living Algoma I would like to take this opportunity to request that the City reconsider the Council's recent decision of July 11, 2016 to evict our organization from the Civic/Pearson Centre. And in turn, deem the supports and services that our agency provides to the community as an essential service which would allow for our organization to continue as a tenant subject to the new rental policy.

Our organization is a not for profit organization that is provincially funded by both the Ministry of Community & Social Services (MCSS) and the Ministry of Children & Youth Services (MCYS). Our organization is mandated to provide supports and services for children, youth and adults who have an Intellectual Disability. Our organization is a long standing service provider in Elliot Lake and in turn, has been a long term tenant at the Civic/Pearson Centre in Elliot Lake, ON.

It is my understanding that the City of Elliot Lake Council has passed a vote to not renew our lease and the leases of fellow tenants and in turn, provide us with notice to relocate from the Civic/Pearson Centre by December 31, 2017. This is the result of the Council's decision to change the policy regarding who can be a tenant at the Civic/Pearson Centre regardless if the organization has been a long term tenant or a not for profit organization. Also, there would be no option to be grandfathered in under the former policy when our last lease agreement was signed. Further to this, it is my understanding that although we are a not for profit organization we do not meet the criteria due to our provincial funding budget.

Our organization provides supports for many vulnerable people who are at high risk of being exploited due to their disability which may include a physical disability as well. We support children, youth and adults and many of the adults we support live on their own, have little family available to support them and they rely heavily on our support to live independently and safely in our local community. The nature of our support model allows us to support a person from age 5 and indefinitely into adulthood as long as the person and/or their family want our services. At this

point, we are also providing a lot of direct support to seniors that meet our mandate. Our current rental space allows for a central location which is easy to locate, safe to access from transit or cab and is very visible in the community which promotes a feeling of safety for those we support. Given that it is enclosed office space it allows for anonymity when accessing services and provides for increased confidentiality. In addition to this, the rental space is accessible for those who rely on wheelchairs for their mobility which is an enormous concern in our local community.

Our organization has been a long term tenant at the Civic/Pearson Centre for well over 10 years now. As the demands for our services have grown within the local community our staffing needs has grown as well. We have over time rented more office space within the building and occupy 5 different office spaces. In addition to this, our agency offers the public the use of our Ontario Telemedicine Network (OTN) video conferencing equipment for free which is contained in Suite 34A. This allows for community members to book the OTN equipment to follow up with medical professionals such as doctors, specialists, psychiatrists for consultations following surgery etc. without the patient having to leave the community. The location of this equipment is central for all community members to access and is in a very visible location in our community.

At this time, our organization has been actively exploring other possible rental spaces that hopefully would meet our needs for accessibility, confidentiality, space requirements and be centrally located in our community. Also, that would be affordable for our agency however, this has been a challenge given the cost to do required and extensive renovations on many of the sites we have viewed especially with regards to wheelchair accessibility.

We would appreciate if the City would reconsider their initial decision to evict our organization from the Civic/Pearson Centre and consider that our services are essential to the safety and wellbeing of many people in our community and in turn, would deem our organization to meet the criteria to continue with being a tenant subject to the conditions of the new policy.

I look forward to discussing this matter further with you further in person and can be reached at (705) 848-2475 extension 1.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Sandra Imbeau', written in a cursive style.

Sandra Imbeau  
Manager of Services & Supports

**Financial Statements of**

**COMMUNITY LIVING ALGOMA**

**Year ended March 31, 2016**

# COMMUNITY LIVING ALGOMA

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Year ended March 31, 2016

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# COMMUNITY LIVING ALGOMA

## Statement of Financial Position

At March 31, 2016

|  | Operating<br>Fund   | Special<br>Purposes Fund | Capital<br>Fund     | Total<br>2016        | Total<br>2015        |
|--|---------------------|--------------------------|---------------------|----------------------|----------------------|
| <b>Assets</b>  |                     |                          |                     |                      |                      |
| Cash   | \$1,776,784         | \$651,333                | \$133,655           | \$2,561,772          | \$2,752,214          |
| Cash - funds held in trust for people supported  |                     | 239,061                  | 0                   | 239,061              | 109,349              |
| Prepaid expenses   | 72,423              | —                        | —                   | 72,423               | 49,122               |
| Due from Ministry of Community and Social Services<br>or Ministry of Children and Youth Services         | 108,000             | —                        | —                   | 108,000              | 9,100                |
| Accounts receivable  | 224,767             | —                        | —                   | 224,767              | 157,689              |
| Net capital assets (Note 3)  | —                   | —                        | 8,147,155           | 8,147,155            | 8,012,455            |
| <b>Total Assets</b>  | <b>\$2,181,974</b>  | <b>\$890,395</b>         | <b>\$8,280,810</b>  | <b>\$11,353,179</b>  | <b>\$11,089,929</b>  |
| <b>Liabilities and Fund Balances</b>   |                     |                          |                     |                      |                      |
| Accounts payable and<br>accrued liabilities (Note 4)   | \$2,128,983         | —                        | 115,170             | \$2,244,153          | \$2,402,321          |
| Vacation pay accrued   | 1,477,572           | —                        | —                   | 1,477,572            | 1,241,889            |
| Payable to other Funds   | —                   | —                        | —                   | —                    | —                    |
| Trust fund - funds held in trust for people supported  | —                   | 239,061                  | —                   | 239,061              | 109,349              |
| Due to Ministry of Community and Social Services<br>or Ministry of Children and Youth Services (Note 12) | 52,991              | —                        | —                   | 52,991               | 11,301               |
| Current portion of long term debt (Note 5)   | —                   | —                        | 107,000             | 107,000              | 104,000              |
| Current Liabilities  | 3,659,546           | 239,061                  | 222,170             | 4,120,777            | \$3,868,860          |
| Long term debt (Note 5)  | —                   | —                        | 1,355,000           | 1,355,000            | 1,462,000            |
| <b>Total Liabilities</b>   | <b>3,659,546</b>    | <b>239,061</b>           | <b>1,577,170</b>    | <b>5,475,777</b>     | <b>5,330,860</b>     |
| Fund (deficit) balances (Note 6)   | (1,477,572)         | 651,333                  | 6,703,640           | 5,877,401            | 5,759,069            |
| <b>Total Liabilities and Fund Balances</b>   | <b>\$ 2,181,974</b> | <b>\$ 890,395</b>        | <b>\$ 8,280,810</b> | <b>\$ 11,353,179</b> | <b>\$ 11,089,929</b> |

The accompanying notes are an integral part of these financial statements

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# COMMUNITY LIVING ALGOMA

## Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended March 31, 2016

|   | Operating<br>Fund    | Special<br>Purposes Fund | Capital<br>Fund    | Total<br>2016      | Total<br>2015     |
|---|----------------------|--------------------------|--------------------|--------------------|-------------------|
| <b>Revenues:</b>  |                      |                          |                    |                    |                   |
| Ministry of Community, and Social Services and<br>Ministry of Children and Youth Services | \$22,593,929         | —                        | —                  | \$22,593,929       | \$21,899,955      |
| Sales   | 10,404               | 72,908                   | —                  | 83,312             | 182,534           |
| Fees  | 1,230,473            | —                        | —                  | 1,230,473          | 1,239,098         |
| Other   | 343,605              | 488,723                  | (9,344)            | 822,984            | 664,365           |
| <b>Total revenues</b>   | <b>\$24,178,411</b>  | <b>561,631</b>           | <b>(9,344)</b>     | <b>24,730,698</b>  | <b>23,985,952</b> |
| <b>Funded Expenditures:</b>   |                      |                          |                    |                    |                   |
| Salaries and benefits (Note 14)   | 17,286,216           | 213,962                  | —                  | 17,500,178         | 16,721,982        |
| Travel and communication  | 429,027              | 5,859                    | —                  | 434,886            | 361,620           |
| Purchased services  | 3,785,614            | 33,954                   | —                  | 3,819,568          | 3,739,492         |
| Other services  | 1,701,127            | 20,353                   | —                  | 1,721,510          | 1,766,659         |
| Supplies and equipment  | 929,821              | 4,459                    | —                  | 934,280            | 1,084,828         |
| Amortization of capital assets  | —                    | —                        | 512,281            | 512,281            | 472,020           |
| Other   | —                    | 149,025                  | —                  | 149,025            | 295,617           |
| <b>Total funded expenditures</b>  | <b>24,131,805</b>    | <b>427,642</b>           | <b>512,281</b>     | <b>25,071,728</b>  | <b>24,442,218</b> |
| <b>Total revenues over (under) expenditures for Ministry purposes</b>                     | <b>\$46,606</b>      | <b>133,989</b>           | <b>(521,625)</b>   | <b>(341,030)</b>   | <b>(456,266)</b>  |
| <b>Unfunded expenditures and adjustments:</b>   |                      |                          |                    |                    |                   |
| Capital expenditures in total funded expenditures   | 760,975              | —                        | —                  | 760,975            | 944,177           |
| Change in vacation pay accrual  | (235,683)            | —                        | —                  | (235,683)          | (113,752)         |
| Unrealized gain (loss) on interest rate swap agreement (Note 5)                           | —                    | —                        | (19,334)           | (19,334)           | (95,837)          |
| <b>Total revenues over (under) total expenditures</b>                                     | <b>\$571,898</b>     | <b>133,989</b>           | <b>(540,959)</b>   | <b>164,928</b>     | <b>278,322</b>    |
| Fund (deficit) balance, beginning of year   | (1,241,889)          | 626,653                  | 6,483,624          | 5,868,418          | 5,596,438         |
| Adjustment for restatement of trust funds   | —                    | (109,339)                | —                  | (109,339)          | —                 |
| Interfund transfer (Note 7)   | (760,975)            | —                        | 760,975            | —                  | —                 |
| Surplus payable to funding Ministries (Note 12)   | (46,606)             | —                        | —                  | (46,606)           | (6,342)           |
| <b>Fund (deficit) balance, end of year</b>  | <b>(\$1,477,572)</b> | <b>651,333</b>           | <b>\$6,703,640</b> | <b>\$5,877,401</b> | <b>5,868,418</b>  |

The accompanying notes are an integral part of these financial statements

# COMMUNITY LIVING ALGOMA

## Statement of Cash Flows

Year ended March 31, 2016

|  | 2016               | 2015               |
|--|--------------------|--------------------|
| <b>Cash flows from operating activities:</b>               |                    |                    |
| Excess of revenues over expenses                           | \$164,928          | \$278,322          |
| Loss (gain) on sale of capital assets                      | 9,994              | \$3,791            |
| Unrealized (gain) loss on interest rate swap activities    | 115,171            | \$95,837           |
| Net changes in non-cash working capital                    | (228,850)          | 377,037            |
| Amortization of capital assets                             | 512,281            | 472,020            |
| <b>Net cash generated through operating activities</b>     | <b>\$573,523</b>   | <b>\$1,227,007</b> |
| <b>Cash flows from financing and investing activities:</b> |                    |                    |
| Purchase of capital assets                                 | (\$656,975)        | (\$842,947)        |
| Proceeds from sale of capital assets                       |                    |                    |
| Increase (decrease) in long term debt                      | (107,000)          | (104,000)          |
| Adjustment for restatement of trust funds                  | 129,723            |                    |
| <b>Net cash used in financing and investing activities</b> | <b>(\$634,253)</b> | <b>(\$946,947)</b> |
| <b>Net increase (decrease) in cash</b>                     | <b>(\$60,730)</b>  | <b>\$280,060</b>   |
| <b>Cash, beginning of year</b>                             | <b>2,861,563</b>   | <b>2,581,503</b>   |
| <b>Cash, end of year</b>                                   | <b>\$2,800,833</b> | <b>\$2,861,563</b> |



# COMMUNITY LIVING ALGOMA

## Notes to Financial Statements

Year ended March 31, 2016

### 1. Purpose of the Organization

Community Living Algoma is incorporated without share capital under the Corporations Act of Ontario. The Association's main objective is to provide services and supports to people with an intellectual disability, and their families, in the District of Algoma. The Association is a registered charity under the Income Tax Act. These Financial Statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### 2. Significant accounting policies:

#### Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the year. Actual results could differ from these estimates, the impact of which would be recorded in future periods.

#### Funding - Ministry of Community and Social Services and Ministry of Children and Youth Services:

Funds approved but not yet received are reflected as receivable in the period to which they apply. Upon a review process excess advances are refundable to the Ministry or, upon approval by the Ministry, allocated to operations or the deficit.

#### Revenues and Expenses / Assets and Liabilities:

Revenues and expenses / assets and liabilities are recorded on the accrual basis of accounting.

#### Supplies for sale:

Supplies for sale are recorded at cost

#### Contributed services:

Volunteers contribute a significant amount of hours per year to assist the Association in carrying out its service delivery activities. Because of the difficulty of determining the fair value, these are not recognized in the financial statements.

#### Capital Assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value. Amortization is provided on a straight-line basis over the assets' estimated useful lives. Note 3 provides further disclosure on the Association's capital policies.

#### Fund Accounting:

Community Living Algoma maintains its accounts in accordance with the principles of restricted fund accounting. Resources are classified for accounting and reporting purposes into funds according to the activity or objective specified.

The *Operating Fund* accounts for the Association's program delivery and administrative activities. This fund reports unrestricted resources and restricted government operating grants.

The *Special Purposes Fund* is used to account for funds held on behalf of people supported, donations and fund-raising proceeds, and for multi-year projects funded and approved by our funding Ministries.

The *Capital Fund* accounts for the capital assets of the Association and presents the flow of funds related to their acquisition and disposal.

#### Financial Instruments:

The Association's financial instruments consist of cash, accounts receivable, accounts payable, amounts due to related parties and long term debt. Cash is designated as held-for-trading which is measured at fair value. Accounts receivable is classified as loans and receivables which is measured at amortized cost. Accounts payable, accrued liabilities, and long term debt are classified as other financial liabilities which are measured at amortized cost. All transaction costs for financial assets and financial liabilities are expensed as incurred. The Association entered into an interest rate swap agreement in order to reduce the impact of fluctuating interest rates on its mortgage payable. This swap agreement requires the monthly exchange of payments without the exchange of the notional principal amount on which the payments are based. The Association records this derivative at fair value with the changes in the fair value recorded in the Capital Fund.

# COMMUNITY LIVING ALGOMA

## Notes to Financial Statements

Year ended March 31, 2016

### 3. Net Capital Assets:

|                        | Depreciable<br>Life<br>In Years | Cost                |                     | Accumulated<br>Amortization |                    | Net Book Value     |                    |
|------------------------|---------------------------------|---------------------|---------------------|-----------------------------|--------------------|--------------------|--------------------|
|                        |                                 | 2016                | 2015                | 2016                        | 2015               | 2016               | 2015               |
| Land                   | na                              | \$909,031           | \$909,031           | —                           | —                  | \$909,031          | \$909,031          |
| Buildings, Betterments | 40                              | 9,401,884           | 9,110,788           | 3,520,598                   | 3,297,000          | 5,881,086          | 5,813,788          |
| Land Improvements      | 15                              | 388,294             | 332,856             | 123,794                     | 101,552            | 264,500            | 231,304            |
| Machinery              | 10                              | 113,251             | 173,670             | 82,484                      | 123,371            | 30,766             | 50,299             |
| Vehicles               | 8                               | 1,689,032           | 1,469,958           | 846,626                     | 707,402            | 842,406            | 762,556            |
| Furnishings, Equipment | 5                               | 1,039,871           | 1,013,585           | 884,112                     | 833,706            | 155,759            | 179,879            |
| Leasehold Improvements | 3                               | 131,418             | 109,528             | 67,810                      | 43,930             | 63,608             | 65,598             |
|                        |                                 | <b>\$13,672,580</b> | <b>\$13,119,416</b> | <b>\$5,525,425</b>          | <b>\$5,106,961</b> | <b>\$8,147,155</b> | <b>\$8,012,455</b> |

### 4. Accounts payable and accrued liabilities:

Included in accounts payables and accrued liabilities are government remittances payable of \$391,147 (2015 - \$415,965), which includes amounts payable for WSIB and payroll related taxes.

### 5. Long term debt :

|  | 2016               | 2015               |
|--|--------------------|--------------------|
| Royal Bank of Canada, SWAP mortgage, 3.04% rate,<br>payable up to \$13,420 monthly, due October 2027 | \$1,462,000        | 1,566,000          |
|  | <b>\$1,462,000</b> | <b>\$1,566,000</b> |
| Current portion of long term debt  | 107,000            | \$104,000          |
| Long term debt   | <b>\$1,355,000</b> | <b>\$1,462,000</b> |

The above mortgages are secured by land and buildings.

The Swap mortgage carries some interest rate risk if it is liquidated. The intention is to hold the swap to maturity as a hedge against future interest rate increases. If the swap had been broken at March 31st, 2016 there would have been a loss of \$115,170.69 due to the existence of a lower interest rate.

Principal due on longterm debt within each of the next five years will be as follows:

|      |         |
|------|---------|
| 2017 | 107,000 |
| 2018 | 111,000 |
| 2019 | 113,000 |
| 2020 | 117,000 |
| 2021 | 119,000 |

### 6. Operating Fund Deficit:

The Operating Fund Deficit is comprised of accrued vacation pay, which is funded by the Ministry as it is paid to employees, and accumulated deficits/(surpluses).

|                                | 2016               | 2015               |
|--------------------------------|--------------------|--------------------|
| Accrued Vacation Pay           | 1,477,572          | 1,241,889          |
| Accumulated Operating Deficits | —                  | —                  |
| Total Fund Deficit             | <b>\$1,477,572</b> | <b>\$1,241,889</b> |



# COMMUNITY LIVING ALGOMA

## Notes to Financial Statements

Year ended March 31, 2016

### 7. Interfund transfers

\$760,975 was transferred from the Operating Fund to the Capital Asset Fund in order to fund capital acquisitions, and for the repayment of principal on mortgages and vehicle loans.

### 8. Related party transactions:

SACOR HANDICAPPED ACCOMMODATIONS (SACOR) was incorporated without share capital in 1983 as a non-profit organization to assist in the accommodation aspects of the Association. The Association historically leased two group homes from SACOR; as of the current year the Association now leases one group home from SACOR. SACOR sold the second home and donated the proceeds to Community Living Algoma. Transactions with SACOR are at fair market value. Transaction balances at year end are as follows:

|  | 2016     | 2015     |
|--|----------|----------|
| Rental expense                         | \$21,840 | \$21,840 |
| Balance owing from SACOR at March 31st | \$43,662 | \$9,683  |

### 9. Financial risks and concentration of risk:

**Credit risk** arises from the potential that counterparties including clients will fail to perform their obligations. The association is subject to credit risk through their receivables. Account monitoring procedures are used to minimize risk of loss and no individual customer is significant to association.

**Liquidity risk** is the risk that the association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The association manages its liquidity risk by monitoring its operating requirements. The association prepares budget and cash forecasts to ensure it has sufficient funds to meet obligations.

**Interest rate risk** arises because of fluctuation in interest rates. The association is exposed to interest rate risk through their loans and mortgages payable. The association monitors the current interest rate to ensure that their interest rates do not vary much from market rates. The association entered into an interest rate swap to manage the cash flow risk of its mortgage on 99 Northern Avenue. The intention is to hold the swap to maturity as a hedge against future interest rate increases.

**Market risk** arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose the association to a risk of loss. There is no market risk as the association conducts no investment activities at this time.

### 10. Economic Dependence

The association's major source of revenue is in the form of subsidies from the Ontario Ministry of Community and Social Services. The nature and extent of this revenue is of such significance as to affect the viability of the association and, accordingly, it can be said that the organization is economically dependent upon the Ontario government.

### 11. Fair values of Financial assets and liabilities

The carrying values of cash, accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the relatively short-term to maturity of these instruments. The carrying value of long term debt approximates its fair value as the terms and conditions of the borrowing arrangements are comparable to current market terms and conditions for similar items.

## Notes to Financial Statements

Year ended March 31, 2016

### 12. Contracts with the Ministry of Community and Social Services and the Ministry of Children and Youth Services:

The Association has a service contract with the Ministry of Community and Social Services and the Ministry of Children and Youth Services to provide supports and services. The agency is required to provide summaries to the Ministries on each of the detail codes they are funded for. These summaries show the budget and actual of the current year, and the prior year actuals. These reports show the following surplus (deficit) positions by detail code for the year ended March 31, 2016 :

| <u>Detail Code - Description</u>                  | <u>Surplus(Deficit)</u> |
|---|-------------------------|
| Code 8847 - Adult Group Living Supports           | (\$18,177)              |
| Code 9110 - Adult Intensive Group Living Support  | \$12,665                |
| Code 9111 - Adult Associate Living Support        | \$33,028                |
| Code 9112 - Adult Individualized Living Supports  | (\$15,370)              |
| Code 9130 - Adult Respite Supports                | \$3,222                 |
| Code 9132 - Adult Assessment and Counselling      | \$5,084                 |
| Code 9131 - Adult Community Access Supports       | (\$5,367)               |
| Code 8871 - Adult Employment Support Transition   | \$4,936                 |
| Code 8915 - Partner Facility Renewal - Capital    | \$3,545                 |
| Subtotal Adult Project Codes                      | <u>\$23,566</u>         |
| Code 9250 - Children's Group Living Supports      | \$5,009                 |
| Code 9251 - Children's Associate Living Support   | \$2,940                 |
| Code 9255 - Children's Respite Supports           | \$32,343                |
| Code 9256 - Children's Assessment and Counselling | (\$29,563)              |
| Code A545 - Children's CSN                        | \$8,301                 |
| Code A597 - Children's ASD Respite                | \$4,010                 |
| Subtotal Children's Project Codes                 | <u>\$23,041</u>         |
|   | <u>\$46,606</u>         |

The above surplus of \$46,606 is reflected on the balance sheet in the Due to the Ministry account. (Cumulative total being \$52,991)

### 13. Asset Management

The Association considers its assets to be its unrestricted net assets which consist of amounts for future operations. The Association's objectives when managing its assets are to safeguard its ability to continue as a going concern so it can continue to provide supports to people. An annual budget is developed and monitored to ensure the organization's assets are maintained to meet these objectives.

### 14. Pension Plans

Until March 31, 2010 the Association had a voluntary defined contribution pension plan for fulltime employees. Commencing April 1, 2010 bargaining unit employees contribute to a mandatory defined benefit Multi-Sector Pension Plan (MSPP). The Association's obligation is limited strictly to the contributions specified in the collective agreement. For the year ended March 31, 2015 the contributions were \$528,279 for 267 employees in MSPP and \$112,454 for 29 management employees in the defined contribution plan. For the year ended March 31, 2016 the contributions were \$616,658 for 281 employees in MSPP and \$130,010 for 32 management employees in the defined contribution plan.